

TENNESSEE GENERAL ASSEMBLY  
FISCAL REVIEW COMMITTEE



**CORRECTED  
FISCAL MEMORANDUM**

**HB 1551 – SB 1747**

April 4, 2014

**SUMMARY OF ORIGINAL BILL:** Changes the date in an election year on which a judge's salary is determined when the county where the judge is elected moves into a lower class after the judge is elected.

FISCAL IMPACT OF ORIGINAL BILL:

NOT SIGNIFICANT

**SUMMARY OF AMENDMENT (015615):** Deletes all language after the enacting clause. Establishes a new salary increase and cost-of-living adjustments (COLA) for general sessions judges for the upcoming judicial term, 2014 to 2022.

General Sessions judges will receive an increase in their annual compensation in FY16-17, FY18-19, and FY20-21, and they will receive COLA adjustments in FY14-15, FY15-16, FY17-18, FY19-20, and FY21-22. A county can provide greater compensation for its judges by public act, private act, or local ordinance.

**FISCAL IMPACT OF BILL WITH PROPOSED AMENDMENT:**

On April 2, 2014, a fiscal memorandum was issued estimating the fiscal impact as follows:

*Increase Local Expenditures – Exceeds \$8,000,000/FY15-16 through FY20-21\**

This impact was in error. The estimated impact is:

**(CORRECTED)**

**Increase Local Expenditures – Exceeds \$8,000,000/FY16-17 through FY20-21\***

Assumptions for the bill as amended:

- The proposed legislation establishes salary increases and cost-of-living adjustments (COLA) for general sessions judges for the upcoming judicial term, 2014 to 2022.

**HB 1551 – SB 1747 (CORRECTED)**

- The County Technical Assistance Service (CTAS), analyzed general sessions judges' salaries from 2006 through 2013 and applied the staggered salary increases and COLA adjustment in the proposed legislation.
- CTAS calculated that the salary increases and COLA adjustments in the proposed legislation would have resulted in \$7,735,431 in increased local expenditures if the proposed legislation had been enacted law from 2006 to 2013.
- Under current law, general sessions judges receive COLA adjustments pursuant to Tenn. Code Ann. §§ 16-15-5003 and 8-23-103. Thus, the average general sessions judges in 2016 will have a greater salary than the average judge did in 2006, and the increases in the proposed legislation will result in a greater increase in local expenditures from 2016 to 2022 than would have occurred from 2006 to 2013 as calculated by CTAS.
- It is assumed that the proposed legislation will result in an increase in local expenditures that will exceed \$8 million over the upcoming judicial term.

*\*Article II, Section 24 of the Tennessee Constitution provides that: no law of general application shall impose increased expenditure requirements on cities or counties unless the General Assembly shall provide that the state share in the cost.*

## **CERTIFICATION:**

The information contained herein is true and correct to the best of my knowledge.



Lucian D. Geise, Executive Director

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